REMARKS

Claims 1-151 are in the application.

Claims 39, 53, 96, 110, and 142 are amended.

Claims 1-143 and 145-151 are subject to restriction requirement.

Applicant herewith elects group I, claims 1-38, 58-95, 127-141 and 145-151.

Applicant has amended the independent claims of Groups II, III, and IV to depend from claim 1 or 58 of the elected group, without prejudice or disclaimer.

Applicant further elects species V, including claims 145-150 for prosecution. In addition, claims 39, 53, 96, 110, and 142 are believed to be generic for the elected species. Further, claims 40-42, 47, 51-52, 54, 97-99, 109, and 111 are also believed to be within the elected species.

Claim 144 is not restricted, and therefore remains part of the application.

Applicant respectfully submits that the twenty-two (22) group election requirement, made after the first action on the merits of the application, is arbitrary and capricious, and not an efficient use of the resources of the Office. The election is therefore made **WITH TRAVERSE**.

37 C.F.R. § 1.146 (Election of species) provides:

In the <u>first action</u> on an application containing a generic claim to a generic invention (genus) and claims to more than one patentably distinct species embraced thereby, the examiner may require the applicant in the reply to that action to elect a species of his or her invention to which his or her claim will be restricted if no claim to the genus is found to be allowable. However, if such application contains claims directed to more than a reasonable number of species, the examiner may require restriction of the claims to not more than a reasonable number of species before taking further action in the application.

Further, even if this requirement was made in the first action, it would be improper, as the number of designated species is unreasonable, and the distinctions between the

Felsher-201.1

supposedly separately patentable species are unclear. For example, group IA is drawn to encrypting the record, group IB is drawn to separately encrypting portions of the record, group IC is drawn to supplying a decryption key, group IG is drawn to triggering a remote transaction on record decryption, group IN is drawn to rolling code encryption. These are all similar concepts, with related search paradigms. Likewise, claim 12 is in group IF, and defines "medical transaction records", group IH is drawn to medical records, claim 37 provides a medical information trust for holding medical records, in group IR. The other elections requirements are likewise hopelessly intertwined, indicating a commonality of invention.

It is therefore respectfully submitted that the election requirement is improper, and reconsideration thereof is respectfully requested.

Respectfully submitted,

Steen In Hoff

Steven M. Hoffberg Reg. No. 33,511

MILDE & HOFFBERG, LLP 10 Bank Street - Suite 460 White Plains, NY 10606 (914) 949-3100